

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2002**

AGENDA ITEM NO.: 3

CONSENT: **X**

REGULAR:

CLOSED SESSION:

ACTION: **X**

INFORMATION:

(Confidential)

ITEM TITLE: **Literary Loan for E. C. Glass High School**

RECOMMENDATION:

Adopt a resolution approving the application by the Lynchburg School Board for a \$7,500,000 State Literary Loan to finance renovations and construction at E. C. Glass High School.

SUMMARY:

A cornerstone for financing the renovation of E. C Glass High School is to seek the lowest cost of financing available. Consistent with the renovations at Sheffield Elementary and Linkhorne Middle, the Lynchburg School Board has approved an application for a \$7,500,000 State Literary Fund Loans that are set at a three percent interest rate. Although there is the likelihood that Literary Fund Loan monies will not be available for some time, it is deemed prudent to submit an application to establish the request on the Literary Fund Loan waiting list.

The attached resolution (as specified in the application) requires Council action.

PRIOR ACTION(S): None

FISCAL IMPACT: The Literary Fund Loan would be at an interest rate of 3% for the life of the loan.

CONTACT(S):

James T. McCormick, Superintendent 522-3700 ext 101
Cynthia F. Page, Chief Financial Officer 522-3700 ext 104

ATTACHMENT(S): Literary Loan Application

REVIEWED BY: lkp

RESOLUTION

Whereas, the School Board for the City of Lynchburg on the 10th day of December, 2002 presented to this Council, an application addressed to the State Board of Education of Virginia for the purpose of borrowing from the Literary Fund \$7,500,000 for adding to or improving the present school building at 2111 Memorial Avenue, Lynchburg, Virginia, to be paid in 20 annual installments, and the interest thereon to be paid at 3.00 percent paid annually.

Resolved, that the application of the City School Board to the State Board of Education of Virginia for a loan of \$7,500,000 from the Literary Fund is hereby approved, and authority is hereby granted the said School Board to borrow the said amount for the purpose set out in said application.

The Council of said City will each year during the life of this loan, at the time they fix the regular levies, fix a rate of levy for schools or make a cash appropriation sufficient for operation expenses and to pay this loan in annual installments and the interest thereon, as required by law regulating loans from the Literary Fund.

Adopted:

Certified:

Clerk of Council

247P

No. _____

APPLICATION FOR LOAN FROM THE LITERARY FUND OF VIRGINIA

Name of School E. C. Glass Name of County-City Lynchburg

TO THE STATE BOARD OF EDUCATION,
Richmond, Virginia:

Gentlemen:

The School Board for the County-City of Lynchburg hereby makes application for a loan of \$ 7,500,000 from the Literary Fund of Virginia for the purpose of erecting, enlarging, or altering (making permanent improvement to) a school building located at 2111 Memorial Avenue, as follows: (Describe briefly) A general renovation of the building to include new HVAC systems, new plumbing, new electrical system, changes to comply with ADA requirements. A 14 classroom addition will be built.

1. The said building, addition, or permanent improvement described above, to be of brick
(Type of construction, brick, frame, etc.)
will be used as a High School building, and is estimated to cost \$ 27,280,000.
(Elem., H. S., Comb. Elem. & H.S.)

2. The total estimated value of the existing school plant, including site, plus the proposed building addition, or permanent improvement thereto, is \$ 38,315,000.

3. There is at present a loan from the Literary Fund on this school plant in the amount
(Building or school plant)
of \$ 65,268.

4. The total amount of the loan will not exceed the cost of the building, addition, or permanent improvement thereto, and site, on account of which such loan is made.

5. The site on which this building, addition, or permanent improvement, will be located contains 54 acres, of which 54 acres are well suited and useable, or can be easily improved and made useable, for playground and recreational purposes.

6. The plans and specifications for the building or improvement, complying with Minimum School Building Requirements, have been or will be approved by the division superintendent of schools and the Superintendent of Public Instruction before construction is begun. It is understood that the State Board of Education reserves the right to withhold any part or all of the amount of this loan, if the plans and specifications approved by the Superintendent of Public Instruction are not followed.

7. The proposed building, addition, or permanent improvement, is desirable because: (Explain briefly) _____
E. C. Glass High School was constructed in 1953. The existing building needs a general renovation. The school is not air conditioned. Also, additional classrooms are needed for the educational program. The school is not handicap accessible.
8. The present total indebtedness of the County-City for school buildings is \$ 39,187,899, of which \$ 224,737 is owed to the Literary Fund.
9. This County-City has not defaulted or failed to meet its debt service obligations as and when due for the past five years except, as follows: no defaults
10. Adequate and satisfactory supervision of construction will be provided by the school board in accordance with the provisions of "Minimum Requirements and Standards for School Buildings," Regulations State Board of Education.
11. The building or improvement for which this application for a loan is made is part of a long-range planning program in accordance with the provisions of "Minimum Requirements and Standards for School Buildings," Regulations State Board of Education, and is recommended in the study or survey made by (give title and date) _____
12. This loan is to be made for 20 years, and is to be paid in 20 annual installments, with interest at the rate of 3 per centum per annum, payable annually.
5 to 20 5 to 20
13. The Board of Supervisors for the County, or the Council for the City, has by resolution (page 3 of this application), agreed to provide for the repayment of this loan.
14. The School Board is not in default in the payment of any part of the principal of any previous loan from the Literary Fund and, for at least two years immediately before this loan, has not been more than six months in default in the payment of interest due on any loan from the Literary Fund.

Given under my hand this the _____ day of _____, 19____.

THE SCHOOL BOARD OF _____ COUNTY-CITY

By _____, Chairman.

ATTEST: _____, Clerk.

SEAL

AT A MEETING of the Board of Supervisors for the County of _____ or the Council for the City of _____, held in the said County or City on the _____ day of _____, 19____:

WHEREAS, The School Board for the County of _____, or City of _____, on the _____ day of _____, 19____, presented to this Board or Council, an application addressed to the State Board of Education of Virginia for the purpose of borrowing from the Literary Fund \$_____ for the new school building (or for adding to or improving the present school building) at _____, to be paid in _____ annual installments, and the interest thereon at _____
5 to 20
per cent paid annually.

RESOLVED, That the application of the County or City School Board to the State Board of Education of Virginia for a loan of \$_____ from the Literary Fund is hereby approved, and authority is hereby granted the said County or City School Board to borrow the said amount for the purpose set out in said application.

The Board of Supervisors for said County or Council of said City will each year during the life of this loan, at the time they fix the regular levies, fix a rate of levy for schools or make a cash appropriation sufficient for operation expenses and to pay this loan in annual installments and the interest thereon, as required by law regulating loans from the Literary Fund.

I hereby certify that the foregoing is a true copy as taken from the minutes of the Board of Supervisors for the County of _____ or the Council of the City of _____.

_____, Clerk

SEAL

BOARD OF SUPERVISORS FOR THE

COUNTY OF _____

COUNCIL FOR THE

CITY OF _____

ATTORNEY'S CERTIFICATE OF TITLE

THIS IS TO CERTIFY that I, Walter C. Erwin, III, Esq., a qualified and competent attorney or Attorney for the Commonwealth for County of City or the City of County Attorney for Lynchburg have examined the title of the School Board or Governing Body of Lynchburg County of City, Virginia to that certain lot, parcel or tract of land referred to in the attached application, and that the School Board of Lynchburg, or the Governing Body of County of City, has a fee simple title to said land, and the same is free from encumbrances, except as noted in attached summary.

Executed this 8th day of November, 19 2002

Attorney for the Commonwealth for

City or County

Attorney for
Walter C. Erwin
Walter C. Erwin, III, City Attorney

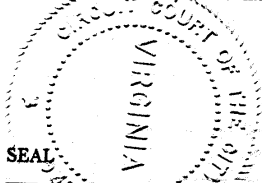
CERTIFICATE OF THE CLERK OF COURT

WHEREAS, the school board of the governing body of Lynchburg owns 54 acres of real estate in _____ county or _____ city of Lynchburg, Virginia, on which to erect the school building described in this application. The title deed to this property is recorded in the clerk's office for _____ county, or Lynchburg city, in deed book number 243, page 244 book number _____, page _____, book number _____, page _____.

ONE. That the title to the real estate has been examined and approved in writing by the attorney for the Commonwealth, the county or city attorney or other competent attorney and his report filed with the clerk of the court.

Two. That the certificate of the attorney examining the title shows that the school board or the governing body of Lynchburg has a good and sufficient title in fee simple to the real estate subject to the (following) (no) encumbrances (note encumbrances, if any).

Given under my hand this the 15th day of November, 2002.



Jerry Palmer
Circuit _____ Clerk
_____ court of
Lynchburg County or City

THIS APPLICATION has been reviewed and checked against "Minimum Requirements and Standards for School Buildings."

Date

Associate Director of Energy & Facilities Services

Attorney's Certificate of title and this application approved this, the _____ day of _____ 19____

Attorney General of Virginia

Approved by the State Board of Education, _____ 19____

For Secretary State Board of Education

STATEMENT OF THE COUNTY OR CITY TREASURER

1. Assessed Value of Real and Personal Property, subject to taxation for county school purposes at date of this report.

Real Estate	\$ 2,743,591,485
Tangible Personal Property	\$ 525,353,953
Public Service Corporations	\$ 197,165,757
Total	\$ 3,466,111,195

2. Income of the County or City for school purposes for current fiscal year:

County School Levy	\$
Cash Appropriations (local)	\$ 31,426,426
District Levies	\$
Total	\$ 31,426,426

3. Indebtedness of County or City (including districts) for school purposes at date of this report:

Literary Fund Loans 224,737=principal 29,187 = interest	\$ 253,924
Long-Term Bonds 38,963,162=principal 16,787,891 = interest	\$ 55,751,053
Temporary Loans	\$
Total	\$ 56,004,977

4. Record of School Bonds Outstanding (not including Literary Fund Loans) :

Long-Term School Bonds: SEE ATTACHED			
Date of Issue	Maturity	Rate of Interest	%
Date of Issue	Maturity	Rate of Interest	%
Date of Issue	Maturity	Rate of Interest	%

5. Payments for Indebtedness from school funds for current fiscal year: (Include those to be paid before end of current year.)

To Literary Fund of Virginia, including Interest	\$ 68,399
To Sinking Fund for Retirement of Long-Term School Bonds	\$
Long-Term School Bonds paid, including Interest	\$ 3,838,438
Total	\$ 3,906,837
Temporary Loans Paid	\$ 7,682,875
Total Indebtedness Paid	\$ 11,589,712

I certify that the above is a true statement concerning the school funds for Lynchburg ~~County~~ City for the year ~~19~~ 2002 ~~20~~ 2003, according to the records of my office.

Michael W. Reed ~~Treasurer~~
Director of Financial Services

Date 11/12/02

for City of Lynchburg ~~County~~ City

RECORD OF SCHOOL BONDS OUTSTANDING (Not including Literary Fund Loans)

Date of Issue	Maturity	Rate of Interest
November 11, 1992	Annually on July 15th. Interest payable semi-annually.	Variable rates from 4.9% to 6.35%.
January 1, 1993	Annually on March 1st. Interest payable semi-annually.	Variable rates from 4.5% to 6.5%.
April 1, 1993	Annually on April 1st. Interest payable semi-annually.	Variable rates from 2.8% to 5.25%.
January 1, 1994	Annually on April 1st. Interest payable semi-annually.	Variable rates from 4.125% to 5.0%.
November 22, 1994	Annually on July 15th. Interest payable semi-annually.	Variable rates from 6.1% to 6.6%.
January 1, 1995	Annually on April 1st. Interest payable semi-annually.	Variable rates from 5.35% to 6.5%.
January 1, 1996	Annually on June 15th. Interest payable semi-annually.	Variable rates from 5.4% to 6.5%.
February 15, 1997	Annually on May 1st. Interest payable semi-annually.	Variable rates from 4.6% to 5.3%.
April 1, 1998	Annually on May 1st. Interest payable semi-annually.	Variable rates from 4.0% to 5.25%.
June 1, 1999	Annually on Dec. 1st. Interest payable semi-annually.	Variable rates from 4.25% to 5.0%.
June 1, 2000	Annually on June 1st. Interest payable semi-annually.	Variable rates from 5.25% to 5.75%.
August 1, 2001	Annually on August 1st. Interest payable semi-annually.	Variable rates from 3.75% to 4.875%.
November 15, 2001	Annually on July 15th. Interest payable semi-annually.	Variable rates from 3.1% to 5.35%.
November 7, 2002	Annually on July 15th. Interest payable semi-annually.	Variable rates from 2.35% to 5.1%.